

# Regulatory Announcement

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## Final Rule to Extend California Enforcement Exemptions for Reformulated Gasoline to California Phase 3 Gasoline

*The U.S. Environmental Protection Agency (EPA) is issuing a final rule to exempt refineries, importers, and blenders of gasoline subject to the State of California's Phase 3 reformulated gasoline (CaRFG3) regulations from certain enforcement provisions in the federal reformulated gasoline (RFG) regulations. We are taking this action because gasoline complying with the CaRFG3 regulations will provide emissions benefits equivalent to Federal Phase II RFG, and California's compliance and enforcement program will in practice be significantly rigorous to assure that the standards are met. The enforcement exemptions ensure that California refineries, importers, and blenders do not have to comply with duplicative federal and state regulations and thereby reduce costs to regulated industry without any negative environmental impact.*

### **Background**

Section 211(k) of the Federal Clean Air Act directs EPA to establish requirements for RFG to be used in specified ozone nonattainment areas, as well as "anti-dumping" requirements for conventional gasoline used in the rest of the country. The areas covered by the federal RFG program in California are San Joaquin Valley, Los Angeles, San Diego, and Sacramento. Since the federal RFG regulations were promulgated,

California refineries and importers have been continuously exempted from certain enforcement-related requirements such as record keeping and reporting, and certain sampling and testing requirements. EPA granted enforcement exemptions to California because the California RFG (called “California Phase 2 gasoline”) would have comparable standards to federal RFG, and California has sufficiently stringent enforcement to ensure program benefits are met. The enforcement exemptions are limited and there are reasonable provisions that permit parties subject to the California RFG regulations to avoid costly adherence to duplicative federal and state enforcement provisions.

California recently promulgated its new California Phase 3 (CaRFG3) regulations, which replaces the current California Phase 2 regulations. We have evaluated those regulations and have concluded that the criteria for enforcement exemptions mentioned above apply to the new regulations as well. For that reason, we issued a proposed rule to extend the federal enforcement exemptions to these new California regulations. The proposal was met with enthusiasm by the Western States Petroleum Association (WSPA), which represents California refineries. No adverse comments were received. Since the CaRFG3 regulations became effective on December 31, 2003, affected regulated parties have been covered by a grant of enforcement discretion to bridge the time until this final rule becomes fully effective.

### **Affected Industry**

Refineries, importers, and blenders of California gasoline who are subject to the

CaRFG3 regulations are affected by this rule. This rule is expected to reduce regulatory burdens associated with duplicative provisions in the federal RFG and CaRFG3 regulations and should result in a cost savings to industry.

### **Health and Environmental Benefits**

This rule is not expected to have any adverse impact because the CaRFG3 standards are equivalent to the federal RFG standards, and California has a rigorous enforcement program.

### **For More Information**

You can access documents related to federal RFG and the California enforcement exemptions on EPA’s Office of Transportation and Air Quality (OTAQ) Web site at: [www.epa.gov/otaq/rfg\\_regs.htm#enforcement](http://www.epa.gov/otaq/rfg_regs.htm#enforcement)

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